

Senate File 2112 - Introduced

SENATE FILE 2112

BY PETERSEN, McCOY, JOCHUM,
TAYLOR, DVORSKY, BOULTON,
QUIRMBACH, BOLKCOM, MATHIS,
HORN, DANIELSON, RAGAN, and
BISIGNANO

A BILL FOR

1 An Act relating to a hawk-i program purchase option, and
2 including effective date and contingent implementation
3 provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. HAWK-I PROGRAM PURCHASE OPTION.

2 1. The director of the department of human services shall
3 seek necessary federal waiver authority to do all of the
4 following:

5 a. Establish a program that allows individuals with incomes
6 above the maximum income eligibility limit pursuant to section
7 514I.8, and who otherwise meet the hawk-i program eligibility
8 requirements pursuant to section 514I.8 with the exception
9 of age, the option of purchasing coverage through the hawk-i
10 program rather than purchasing a qualified health plan through
11 the health insurance marketplace established pursuant to the
12 federal Patient Protection and Affordable Care Act, or an
13 individual health plan offered outside of the health insurance
14 marketplace.

15 b. To allow individuals who qualify under paragraph "a" who
16 choose to purchase coverage through the hawk-i program to use
17 advanced tax credits and cost-sharing credits, if eligible, to
18 purchase this option.

19 c. To permit the hawk-i program purchase option to be
20 offered through the health insurance marketplace as a coverage
21 option and to be compared with qualified health plans offered
22 through the health insurance marketplace.

23 d. Notwithstanding the eligibility criterion that a child
24 must be less than nineteen years of age, allow the hawk-i
25 purchase option to be offered to a child up to twenty-six years
26 of age.

27 2. The director of the department of human services shall
28 coordinate the administration of the hawk-i program with
29 the hawk-i program purchase option to maximize efficiencies
30 and improve the continuity of care for eligible children
31 consistent with chapter 514I. The director shall implement
32 mechanisms to ensure the long-term financial sustainability of
33 the hawk-i program and mitigate any adverse financial impacts
34 to the health insurance marketplace. These mechanisms shall
35 address issues related to minimizing adverse selection, the

1 state financial risk and contribution, and negative impacts
2 to premiums in the individual and group insurance market both
3 inside and outside of the health insurance marketplace. At a
4 minimum, the hawk-i purchase option shall include all of the
5 following:

6 a. Establishment of an annual per enrollee premium rate
7 similar to the average rate paid by the state to managed care
8 plan contractors under the hawk-i program.

9 b. Establishment of a benefit set equal to the benefits
10 covered under the hawk-i program.

11 c. Establishment of annual open enrollment periods
12 consistent with those for the hawk-i program.

13 d. The ability of the director to adjust the purchase
14 option's actuarial value to a value no lower than eighty-seven
15 percent.

16 e. Reimbursement mechanisms to address potential reductions
17 in funding for health insurance marketplace operations.

18 f. Reimbursement mechanisms to address potential increased
19 costs to the hawk-i program.

20 3. The director of the department of human services in
21 collaboration with the commissioner of insurance shall report
22 to the chairpersons and ranking members of the human resources
23 committees and the joint appropriations subcommittee on health
24 and human services by September 1, 2018, on the progress of the
25 federal waivers and the results from actuarial and economic
26 analyses that are necessary for a waiver proposal. The report
27 shall also include recommendations regarding any statutory or
28 administrative rule changes necessary to implement the program.

29 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate
30 importance, takes effect upon enactment.

31 Sec. 3. CONTINGENT IMPLEMENTATION. Implementation of any
32 waiver provision that requires a state financial contribution
33 shall be contingent on further legislative action to approve
34 the state's contribution.

35

EXPLANATION

1 The inclusion of this explanation does not constitute agreement with
2 the explanation's substance by the members of the general assembly.

3 This bill directs the director of human services to seek
4 necessary federal waiver authority to: establish a program
5 that allows individuals with incomes above the maximum income
6 eligibility limit under the hawk-i program (currently 300
7 percent of the federal poverty level), and who otherwise meet
8 the hawk-i program eligibility requirements (with the exception
9 of the age limitation of less than 19 years of age), the
10 option of purchasing coverage for a child through the hawk-i
11 program rather than purchasing a qualified health plan through
12 the health insurance marketplace established pursuant to the
13 federal Patient Protection and Affordable Care Act, or an
14 individual health plan offered outside of the health insurance
15 marketplace; to allow individuals who qualify and choose to
16 purchase coverage through the hawk-i program to use advanced
17 tax credits and cost-sharing credits, if eligible, to purchase
18 the option; to permit the hawk-i program purchase option to be
19 offered through the health insurance marketplace as a coverage
20 option and to be compared with qualified health plans offered
21 through the health insurance marketplace; and notwithstanding
22 the eligibility criterion that a child must be less than 19
23 years of age, allow the hawk-i purchase option to be offered to
24 a child up to 26 years of age.

25 The bill directs the director of the department of human
26 services to coordinate the administration of the hawk-i
27 program with the hawk-i program purchase option to maximize
28 efficiencies and improve the continuity of care for eligible
29 children; and to implement mechanisms to ensure the long-term
30 financial sustainability of the hawk-i program and mitigate any
31 adverse financial impacts to the health insurance marketplace.
32 The mechanisms are to address issues related to minimizing
33 adverse selection, the state financial risk and contribution,
34 and negative impacts to premiums in the individual and
35 group insurance market both inside and outside of the health

1 insurance marketplace.

2 At a minimum, the hawk-i purchase option must include:
3 establishment of an annual per enrollee premium rate similar
4 to the average rate paid by the state to managed care plan
5 contractors under the hawk-i program; establishment of a
6 benefit set equal to the benefits covered under the hawk-i
7 program; establishment of annual open enrollment periods
8 consistent with those for the hawk-i program; the ability of
9 the director of the department of human services to adjust the
10 purchase option's actuarial value to a value no lower than
11 87 percent; reimbursement mechanisms to address potential
12 reductions in funding for health insurance marketplace
13 operations; and reimbursement mechanisms to address potential
14 increased costs to the hawk-i program.

15 The director of the department of human services in
16 collaboration with the commissioner of insurance shall report
17 to the chairpersons and ranking members of the house and
18 senate human resources committees and the joint appropriations
19 subcommittee on health and human services by September 1,
20 2018, on the progress of the federal waivers and the results
21 from actuarial and economic analyses that are necessary for a
22 waiver proposal. The report shall also include recommendations
23 regarding any statutory or administrative rule changes
24 necessary to implement the program.

25 The bill takes effect upon enactment. Implementation of any
26 waiver provision that requires a state financial contribution
27 is contingent on further legislative action to approve the
28 state's contribution.